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SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE

Low Income Home Energy Assistance Program (LIHEAP)

ABSTRACT:

HHS is requiring further detail from Grantees on their FY2012 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2012 plan which represent improvements or changes to the Grantees' FY2011 plan for preventing and detecting fraud, abuse and improper payment prevention.

Instructions: *Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.*

State, Tribe or Territory (and grant official): Commonwealth of Virginia		Date/Fiscal Year: September 1, 2011 for FY 2012	
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2011 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.	Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2012.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies
Virginia (VA) was one of seven states included in the Government Accountability Office (GAO) review of LIHEAP. Weak fraud prevention and detection measures were cited in the report. Four cases from VA were forwarded to HHS OIG for review.	VA is evaluating measures to strengthen fraud detection and prevention. Once released, VA will review the four cases forwarded to the OIG to determine control weaknesses and to develop strategies to prevent future occurrences.	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

According to the Paperwork Reduction Act Of 1995 (Pub. L. 104-13), public reporting burden for this collection of information is estimated to average 1 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

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COMPLIANCE MONITORING			
Describe the Grantee's FY 2011 strategies that will continue in FY 2012 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2012.	If you don't have a firm compliance monitoring system in place for FY 2011, please describe how the State is verifying that LIHEAP policy and procedures are being followed.	Necessary outcomes from these systems and strategies
<p>The VA Energy Assistance Program (EAP) has a strong sub-recipient monitoring plan/policy in place. VA is state supervised and locally administered by 120 local departments of social services (LDSS). State staff monitor LDSS case management via various online reports. Additionally, a random sample of cases is selected and reviewed by state staff based on a predetermined schedule. In the past case reading reviews were scheduled/conducted based on agency caseload size with other factors sometimes taken into consideration i.e. staff changes, significant requests for technical assistance etc.</p> <p>During FY 2011, VA began using a risk assessment tool to determine LDSS monitoring review schedule. Based on risk, LDSS are reviewed every year, every two years or every three years. A random sample of cases is pulled and reviewed for policy compliance, timely processing and payment accuracy. Findings are reported to the LDSS Director; if necessary case correction is required and when appropriate, a corrective action plan (CAP) is submitted by the LDSS.</p> <p>In addition to various sub-recipient monitoring activities, each LDSS must submit a Fraud Plan annually; a fraud plan is required for a LDSS to receive an allocation. The Fraud Plan covers</p>	<p>All 2011 activities will continue in 2012.</p>	<p>N/A</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

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multiple programs. The Fraud Plan template is attached.			
State fraud staff conducts Fraud Program Compliance Reviews. Completed investigations are reviewed; the review focuses on the accuracy of the investigative decision.			
Classroom and online training is available for both new and experienced EAP workers.			

FRAUD REPORTING MECHANISMS

For FY 2011 activities continuing in FY 2012, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.	Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2012, and the timeline for that implementation.	If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.	Necessary outcomes of these strategies and systems
<p>The Virginia Department of Social Services (VDSS) has a customer service toll-free number/hotline that in addition to general customer service inquiries can be used to report suspected fraud, abuse and waste. The number is included on the VDSS public website.</p> <p>Beginning with the FY 2011 Fuel Assistance component, information on how to report fraud, abuse, and/or waste was added to pre-printed applications and EAP factsheets.</p> <p>VDSS increases awareness regarding fraud, abuse and waste through collaboration with local media partners.</p> <p>A state employee fraud, waste and abuse hotline is also available for anonymous reporting using</p>	<p>By November 2012, VDSS will add information to both the public and internal DSS EAP websites regarding the reporting of fraud, abuse, and/or waste.</p> <p>By November 2012, VDSS will add information to the EAP information sheet regarding reporting fraud, abuse, and/or waste.</p>	N/A	<p><i>Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.</i></p>

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either a toll free number 800-723-1615 or online at dsia@doa.virginia.gov

VERIFYING APPLICANT IDENTITIES

Describe all FY 2011 Grantee policies continuing in FY2012 for how identities of applicants and household members are verified.	Please highlight any policy or strategy from your plan which will be newly implemented in FY 2012.	If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.	Necessary outcomes from these systems and strategies
<p>For individuals receiving social security benefits or other forms of public assistance (PA) such as SNAP, TANF or Medicaid, which represents a large portion of EAP applicants, the verification of social security number (SSN)/identity is completed by these programs and serves as verification for LIHEAP.</p> <p>VDSS requests the SSN of all household members on all three EAP applications; however, for those household members receiving PA or social security benefits the SSN is not required to be provided again.</p>	<p>The policy for SSN collection SSN that became effective January 27, 2011 will remain the same for FY 2012.</p>	<p>N/A</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

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SOCIAL SECURITY NUMBER REQUESTS			
Describe the Grantee's FY 2012 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.	Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2012, or remaining the same.	If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.	Necessary outcomes from these systems and strategies
<p>Currently the EAP automated system only collects and stores the SSN for the applicant and spouse.</p> <p>The VDSS requests the SSN of all household members on all three EAP applications; however, the EAP automated system only stores the SSN for the applicant and the spouse. The applicant and spouse's SSNs are cross-checked in the EAP database to ensure the SSN is not found in another case. If either SSN is found in another case, further case processing is prohibited.</p> <p>Since a large number of LIHEAP applicants and household members receive SNAP or TANF verification of SSN/identity has been completed for these programs.</p> <p>Effective January 27, 2011, in order to be included as a member of the household for the purposes of determining household size, the VDSS began requiring a SSN for:</p> <ul style="list-style-type: none"> • Individuals 18 years and older; • Household members not receiving public assistance; and • Individuals not receiving social security benefits <p>However, the income of <u>all</u> individuals residing in the household is counted even if the SSN is not required.</p>	<p>System changes to collect and store SSN have been requested as part of the development of a client portal. Once the SSN is collected/stored in a database for all household members, we anticipate household members whose SSN has not been validated through another program will be the group VDSS EAP will focus on for validation.</p> <p>The policy for collection of SSN that became effective January 27, 2011 will remain the same for FY 2012.</p>	N/A	<p><i>All valid household members are reported for correct benefit determination.</i></p>

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CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2011 and continuing in FY 2012. (Social Security Administration Enumeration Verification System, prisoner databases, Government th records, etc.)	Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2012.	If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.	Necessary outcomes from these systems and strategies
VDSS continues to attempt to amend the agreement with the Social Security Administration (SSA) to include LIHEAP relative to access/use of SOLQ to verify SSN.	To date, VA has not been successful in amending the agreement with SSA to add LIHEAP. The SSA has stated that the only programs allowed to access SOLQ are SNAP, TANF, and Medicaid.	N/A	<i>Use of all available database systems to make sound eligibility determination.</i>

VERIFYING APPLICANT INCOME

Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2011 and continuing in FY 2012.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2012.	If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?	Necessary outcomes from these systems and strategies
VDSS does not use the state directory of new hires for EAP income verification. If the household member is a current PA recipient, the income used to determine eligibility for that program (SNAP, TANF or Medicaid) is used to determine LIHEAP eligibility. The income for all other household members must be verified through 3 rd party via pay stubs, employer verification etc.	VDSS will continue to use verified income in the existing PA record for household members receiving PA for income verification for EAP. Income in the PA record has already been verified by a third party or TALX/the Work Number.	N/A	<i>Effective income determination achieved through coordination across program lines.</i>

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PRIVACY-PROTECTION AND CONFIDENTIALITY			
Describe the financial and operating controls in place in FY 2011 that will continue in FY 2012 to protect client information against improper use or disclosure.	Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2012.	If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.	Necessary outcomes from these systems and strategies
<p>VA is state supervised and locally administered. Security protocol requires LDSS to ensure the confidentiality/security of client case files; however, it is the LDSS responsibility to determine method/process to secure files.</p> <p>VDSS state and local staff must attend an annual security training which includes guidance/policy on the protection and security of personal data/information. At the end of the training, staff must sign an acknowledgement statement.</p> <p>VDSS security protocol limits system access only to individuals who require access to perform their jobs. This includes all systems: eligibility, verification and financial.</p>	<p>The controls in place for FY 2011 will remain in effect for FY 2012.</p>	N/A	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

LIHEAP BENEFITS POLICY			
Describe FY 2011 Grantee policies continuing in FY 2012 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.	Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2012.	If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.	Necessary outcomes from these systems and strategies

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<p>EAP vendors must provide documentation to support payment requests. All equipment purchases require a recipient signature on the credit authorization when submitted for payment. In addition, the VDSS mails recipient households a notice at the end of each component that lists all vendor payments made on their behalf that season.</p> <p>Relative to potential applicant fraud, at the close of each component, the state generates an address match report on cases receiving direct payments under different case numbers at the same address. This report is analyzed by fraud staff at the state level and forwarded to LDSS fraud staff as appropriate.</p> <p>Fraud information has been added to online vendor training.</p> <p>Beginning in FY2011, in order to become an approved vendor with EAP, all new vendors must complete online training.</p>	<p>The controls in place for FY 2011 will continue for FY 2012.</p> <p>By November 2012, VDSS will add information to both the public and internal DSS EAP websites regarding the reporting of fraud, abuse, and/or waste.</p>	N/A	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>
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PROCEDURES FOR UNREGULATED ENERGY VENDORS

Describe the Grantee's FY 2011 procedures continuing in FY 2012 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other unregulated energy utilities.	Please highlight any strategies policy in this area which will be newly implemented in FY 2012.	If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.	Necessary outcomes from these systems and strategies
EAP vendors must sign an agreement with the VDSS. Credit authorizations/request for payment must include documentation to support the bill (metered ticket etc.). In addition EAP recipients are sent a payment notice at the end of the EAP component that lists vendor	VDSS will compare the vendor payment history with vendors that have not complied with the 2011 request for tax documents. For vendors with no payment history for more than two years, the vendor will be contacted to confirm their continued participation in the	N/A	<i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i>

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<p>payments made on their behalf during the season.</p> <p>During FY 2011, VDSS contacted all EAP vendors requesting a data update and two forms of business verification: copies of official document from the Virginia Department of Taxation such as Form ST-4 or ST-9 or documentation of state sales tax exemption, and an IRS document containing the EIN number and business name. For those using a SSN, a copy of the SSN was requested. A majority of EAP vendors have complied with this request.</p> <p>Beginning in FY 2011, prior to becoming an approved vendor, all businesses are required to provide VDSS with Virginia Department of Taxation and IRS documents.</p>	<p>EAP. Vendors without recent payment history but have indicated they still wish to participate and vendors with a payment history, will be contacted by VDSS to request the tax documents. Vendors will be informed that failure to comply may affect their current vendor status.</p>		
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VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

Describe Grantee FY 2011 policies continuing in FY 2012 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.	Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2012.	If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?	Necessary outcomes from these systems and strategies
<p>During FY 2011, VDSS contacted all EAP vendors requesting a data update and two forms of business verification: copies of official document from the Virginia Department of Taxation such as Form ST-4 or ST-9 or documentation of state sales tax exemption, and an IRS document containing the EIN number and business name. For those using a SSN, a copy of the SSN was requested. A majority of EAP vendors have complied with this request.</p>	<p>VDSS will compare the vendor payment history with vendors that have not complied with the 2011 request for tax documents. For vendors with no payment history for more than two years, the vendor will be contacted to confirm their continued participation in the EAP. Vendors without recent payment history but have indicated they still wish to participate and vendors with a payment history, will be contacted by VDSS to request the tax documents. Vendors will be informed that failure to</p>	N/A	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

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Beginning in FY 2011, prior to becoming an approved vendor, all businesses are required to provide VDSS with Virginia Department of Taxation and IRS documents.	comply may affect their current vendor status.		
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TRAINING AND TECHNICAL ASSISTANCE

In regards to fraud prevention, please describe elements of your FY 2011 plan continuing in FY 2012 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.	Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2012.	If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.	Necessary outcomes from these systems and strategies
<p>LDSS have two EAP training options available; classroom training sessions are available for new workers and various online training modules are available for experienced workers or as a refresher. Classroom training is available statewide at the start of each EAP component. Online modules are available year round. LDSS staff training is optional. Additionally, each LDSS is assigned a program consultant who monitors the agency as a sub-recipient and also provides technical assistance, policy interpretation, and targeted training as needed.</p> <p>A Fraud Awareness course is available for eligibility workers.</p> <p>Online training is available for vendors. In FY 2011 the Vendor training was updated to include information on Fraud.</p>	Activities in FY 2011 will continue in FY 2012.	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

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In FY 2011 VDSS added information on reporting fraud, abuse and waste to the EAP factsheet and pre-printed fuel applications.			
AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY 2011 that will continue into FY 2012.	Please describe new policies or strategies to be implemented in FY 2012.	If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.	Necessary outcomes from these systems and strategies
All LDSS are reviewed/audited as part of the annual 133 Audit (Single Audit Act). Audit findings are reviewed by VDSS and incorporated as needed into the risk assessment referenced above relative to compliance monitoring.	Activities in place in FY 2011 will continue in FY 2012.	N/A	<i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i>

Additional Information

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.